

An Introduction to Economics: Markets, Trade, Institutions and Controversies

1. Instructor Profile

Name: **Richard Anthony Sanders**

Profile: Emeritus Professor of Contemporary Chinese Studies, University of Northampton UK
Visiting Professor, School of English and International Studies, BFSU, Beijing, China

2. Course Description (2)

Course Description: The course will begin by discussing the main elements of the market economy, the reasons why markets exist and the benefits associated with them, according to liberal economists to include the founder of modern economics, Adam Smith. It will then focus on markets in an international context, discussing the best known theory of international trade, the Theory of Comparative Advantage, associated with David Ricardo, alongside more modern contributions to theory to include the Hechsler-Ohlin model. The course will examine global institutions which developed in the second half of the twentieth century to encourage international trade, with specific reference to the World Trade Organisation and the International Monetary Fund. It will also cover key controversies associated with markets, to include inequality and exploitation and reference will be made to the works of Amartya Sen and the capitalist critiques of Karl Marx. The course will use China's reforms associated with Deng Xiaoping (*gaige kaifang* –reform and open to the outside world) as a case study.

Teaching methods: The course will involve both lectures and seminars, the latter involving student discussion based on prior reading

Assessment: The primary form of assessment will be an end of course written examination although attendance and student participation will also be taken into account.

3. Course Syllabus

Name of Instructor: **Richard Sanders**

Time for the course: Preferably over first three weeks (mornings)

Course Description: **An Introduction to Economics: Markets, Trade, Institutions and Controversies.** The objectives of the course will be not only to introduce basic micro-economic principles to students but to discuss how markets, both national and international, allow economies to grow and their peoples to prosper and how institutions have developed to encourage market operations. By further discussing controversies associated with the market, it will introduce students to the works of some key theorists, to include Adam Smith, David Ricardo, Amartya Sen and Karl Marx

Key Topics to be covered over fourteen 2-hour sessions

- (1) The workings of the market (two 2-hour sessions) : Demand, Supply and Price Determination
- (2) Adam Smith (1776) and the 'Invisible Hand of the Market' (one- 2 hour session): how free markets (arguably) produce the best outcomes
- (3) International Trade Theory (two 2-hour sessions): David Ricardo's Theory of Comparative Advantage, arguing the benefits of international trade over self-sufficiency and the Hechsler-Ohlin Model, strengths and limitations

- (4) International Economic Organisations (two 2-hour sessions): The International Monetary Fund and the World Trade Organisation. Their history, functions, workings, benefits, controversies. Recent initiatives to include AIIB (Asia Infrastructure Investment Bank) and the BRICs bank, both involving China
- (5) Controversies with regard to the market (three 2-hour sessions): Inequality and exploitation, the writings of Amartya Sen (one 2-hour session) and Karl Marx (two 2-hour sessions)
- (6) Market economies in practice (one-2 hour session): A comparative discussion of the recent performance of the economies of North Korea and South Korea
- (7) CASE STUDY: The Peoples Republic of China (three 2-hour sessions): A comparative analysis of the performance of the Chinese economy under Mao Zedong and under Deng Xiaoping and his successors. Reform and Opening to the Outside World (*gaige kaifang*). A discussion of the benefits and limitations of markets and the role of economic planning. A discussion of the state of the Chinese economy today to include possible future trends.

Teaching methods: Each 2-hour session will comprise one lecture (with powerpoint) and one seminar, the latter being student-centred, allowing discussion based on prior reading.

Assessment: The primary form of assessment (50%) will be an end-of-course examination, there will be an assessed group student presentation (30%) and attendance (10%) and general participation (10%) will also be assessed.

Required and/or recommended readings:

Students will be provided with specific and appropriate reading for each class, chosen by the lecturer. Key texts will include:

John Sloman and Dean Garrett, 2016, *Essentials of Economics*, Pearson

Andrew Mell and Oliver Walker, 2014, *A Rough Guide to Economics*, Rough Guides

NH Barnes and SK Vogel (Eds), 2008, *The Political Economy Reader: Markets as Institutions*, Routledge

Richard Sanders December 2017